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C O N F I D E N T I A L SECTION 01 OF 03 TEGUCIGALPA 000659

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Classified By: Ambassador Charles Ford, reasons 1.4 (b & d)

11. (C) Summary: July 15 marks the official beginning of Honduran election season when leaders of political party factions turn in their slates to the party councils. By August 24, the names of the official primary candidates will be known. The two main parties are the Liberal Party and the National Party. The National Party has a clear front-runner. There are questions as to whether the leading Liberal Party primary candidate is legally eligible to run, although he is substantially ahead in the polls. Honduran President Manuel Zelaya (who belongs to the Liberal Party) is becoming increasingly politically isolated from his own party and is responding by disrupting the election process. End summary.

Important Dates

- 12. (U) The primary elections will be held on November 16, 2008, and the general election on November 15, 2009. The following are the most important upcoming election season dates:
- July 15: Leaders of the party factions turn in their slates to the party councils.
- August 9: Party factions must register with the Supreme Electoral Tribunal (TSE), with a nod from party councils.
 August 24: The TSE determines which factions are eligible and the official primary candidate names are made public.
 September 27: Official start of campaign season.

National Party

¶3. (C) The two major parties in Honduras are the Liberal Party (current Administration) and the National Party, which held power in the previous Administration. Currently there is a clear National Party candidate front-runner: Porfirio "Pepe" Lobo, who lost to Zelaya by a sliver in 2005. His choice for a vice-presidential running mate has not been announced, but we understand that technical expert and relative unknown Maria Antonieta Guillen de Bogran will get the nod. She brings the female vote, brains, technical experience, a clean image, and a beautiful face -- all of which are key in Honduras. Oscar Alvarez, who previously told us Lobo had asked him to join his ticket, will probably return as a type of Security Czar, possibly overseeing both

the police and the military. At this point it looks like ex-President Rafael Leonardo Callejas, whose U.S. visa was revoked in 2006, will not be on the ticket, but his son is reportedly on the slate as a possible place holder. (Note: Substitutions can be made until the last minute, and often more popular candidates are listed a congressional candidates even though they will fill positions as ministers so that less known people can be guaranteed a seat. End note.) Mario Canahuati, former ambassador to the United States and currently a businessman based in San Pedro Sula, is the only other significant contender, but he is far behind Lobo in the polls.

Liberal Party

14. (C) Within the Liberal Party, the two strongest candidates are current Vice President Elvin Santos and current President of the Congress Roberto Micheletti. One of the key issues during this election season has been the eligibility of both of them to run for office. The constitution appeared to prohibit the President of Congress from running, but in December 2007, Micheletti requested a decision on his case by the Supreme Court, who found him eligible to run. Micheletti is a crotchety, older gentleman who is part of the old guard of the political class. He runs the Congress with a dictatorial iron-fist and uses his position to hand out funds for municipalities who have joined his party slate, and withholds funds from those who have defected to Santos. The constitution also appears to prohibit the Vice President from running. Despite this, Santos has been campaigning hard and has a earned substantial lead in the polls. Santos is young

TEGUCIGALP 00000659 002 OF 003

and handsome, and despite being part of the current Administration, he has not been tainted as a crony of Zelaya. Santos has told us repeatedly that he will not request a decision from the Supreme Court or the Congress on his eligibility, but will continue to build momentum in the voting class. He hopes to mount such a substantial lead that the powers that be will be too afraid to bar his candidacy. (Note: There is political precedent for this type of move, as former President Ricardo Maduro was initially barred from running because he was not born in Honduras. As his popularity grew, the powers that be decided he had to be allowed to participate. He won the 2001 election. End Note) If Santos is not allowed to run, he will take his eligibility issue to the streets to try to force the issue. Liberal Party President Patricia Rodas tells us that she will allow Santos to file his slate with the party and leave the decision to the Supreme Electoral Tribunal (TSE). It can either decide the case, or defer the decision to the Supreme Court. In the meantime, Santos is also working with the powerful figures in his party (like former President Carlos Flores and other rich businessmen) to work out an arrangement that would allow him to run. Micheletti controls much of the party structures at the local level, and vice-presidential candidate Gabriela Nunez reported to us that they are confident Micheletti can beat Santos in a fair race. We believe Santos would win easily in a free and fair compettiion. End Note.) Neither one is allowing Honduran President Manuel Zelaya's insiders, known as "Patricios," onto his ticket, despite being from the same political party. The Liberal Party candidates are distancing themselves from Zelaya, who is becoming more and more isolated politically. This means there will be continuing tension surrounding Zelaya as he loses influence because his own party will not give his supporters any space in its possible future power structure.

Minor Parties

^{15. (}U) In addition to the two major parties, there are three well-established minor parties that never have captured a significant portion of the vote. They usually do not participate in the primaries, although the Democratic Union party may participate in the primaries as they have two

separate slates this year. The other parties usually choose their national election slates through their own processes.

Issues outside of the Elections

16. (C) In the middle of all of this political wrangling for positions on the carious party slates, is the jockeying for several other key positions of power within the government. Congress selects the new Supreme Court President and magistrates in February 2009 and the Attorney General in March 2009 -- both of which are bodies that are supposed to be independent of the Administration and act as a counterbalance. This means that while the parties are coming to a decision on their candidates and the process described above is underway, the pre-candidates are already having private discussions with their allies in Congress to try to influence the composition of the court and the selection of the Attorney General.

Where is the President in all of this?

17. (C) The Zelaya Administration has been characterized by orchestrating political theater -- constantly creating various crisis situations in order to divert attention away from the real issues (economy, security, health, education, poverty). He has allegedly spurred on protests by various groups, including a long "hunger strike" by a group of prosecutors alleging that the Attorney General's office was covering up corruption cases. Zelaya also diverted attention from basic issues by the unnecessary closing of Tegucigalpa's Toncontin airport for 45 days, which pitted him against a hodge-podge of interest groups that brought together disparate individuals such as conservative Opus Dei members of Congress and airport shoe shine boys, all under the auspices of the Mayor of Tegucigalpa, Ricardo Alvarez.

TEGUCIGALP 00000659 003 OF 003

Alvarez came out victorious, which blackened Zelaya's image even further (people were calling Zelaya an "impetuous" leader who was acting like a spoiled child). Another example of these manufactured "crises" is the President's attacks on the National Registry of Persons (RNP). The RNP is the institution that issues all vital records, including the identity card which is the legal document every citizen must present in order to vote. The Zelaya Administration impeded the flow of funds to the RNP, which disrupted its daily operations and could prevent many of the 1.2 million potential voters (18-year olds waiting their first ID card and people renewing old cards) from registering to vote, and then voting if already registered. Once public outcry forced Zelaya to turn on the spigot and let funds flow, he then arbitrarily decided that employees in this institution would be the only civil servants in the government to not receive the cost-of-living salary increases. The employees then began to understandably strike, further hurting production of these documents. It was not until public protests by the employees outside of the Finance Ministry and a series of articles exposing the injustice were published, that Zelaya reneged, the employees were granted the increases, and production of identity documents began anew at the RNP.

Comment

18. (C) Although things at the RNP are now moving along in a positive direction, we are sure that at least a small percentage of those wanting to vote will be disenfranchised by this series of delays. If all of these issues -- from the Santos candidacy to the issuance of identity cards -- are not resolved, the conditions necessary to hold free and fair elections might not be fulfilled. In this environment, if Zelaya feels cut off from his party, he may continue to degrade institutions like the RNP, seeking to create additional crises to disrupt the election process. The candidacy of current Vice President Santos continues to be a possible catalyst for massive protests and even possible violence. If a decision is not made soon as to whether or

not he is legally permitted to run, this situation of uncertainty will feed into the current RNP crisis, and the ensuing chaos will call into question the credibility of the election process and possibility impede any election at all. End comment. FORD